

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1671 – SB 2197

February 6, 2018

SUMMARY OF BILL: Expands the definition of “certified counselor” under the *Uniform Debt-Management Services Act* to include an individual who is certified by a training program or certifying organization that is accepted by another state in which the provider is licensed. Requires the state and its residents be loss payees rather than beneficiaries of the insurance required under this statute.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. §47-18-5502(6), a certified counselor must be certified by a training program or organization approved by the Department of Commerce and Insurance (DCI).
- Passage of this legislation would require the DCI to accept any certifying program accepted by another state in which the provider is licensed.
- This may result in an increase of certifications for debt-management counselors in this state because it broadens what is acceptable training for service counselors; however, any such increase in certifications is estimated to be not significant.
- Pursuant to Tenn. Code Ann. §47-18-5505, debt management companies are required to provide evidence of insurance of at least \$250,000. Requiring the state and its residents to be loss payees rather than beneficiaries of such insurance policies will allow debt management companies to easier secure bonds from insurance companies, but is not estimated to have a significant fiscal impact on the state or local government.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The Debit Services Businesses experienced a surplus of \$65,852 in FY15-16, a surplus of \$53,704 in FY16-17, and had a cumulative reserve balance of \$119,556 on June 30, 2017.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Requiring the DCI to accept the out of state training program or certifying organization of an individual licensed as a certified counselor in that state may result in an increase of certifications for debt-management counselors in this state because it broadens what is acceptable training for service counselors; however, any such increase in certifications is estimated to be not significant and will have no impact on commerce or jobs in Tennessee.
- Requiring the state and its residents to be loss payees rather than beneficiaries of such insurance policies will allow debt management companies to easier secure bonds from insurance companies. However, any impact on revenue and expenditures of such companies is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh